Price rise of medicines

†2647. SHRI RAJ MOHINDER SINGH MAJITHA:
DR. MURLI MANOHAR JOSHI:

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether it is a fact that many drugs manufacturing companies had increased the prices of drugs during 2006 in violation of the directions issued by Regulatory Authority;

(b) if so, the fact thereof alongwith the names of those companies and the names of such drugs whose prices had been increased in violation of regulations;

(c) whether any action is being taken against these errant companies; and

(d) if so, the details of the action taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI B.K. HANDIQUE): (a) to (d) Under the provisions of the Drugs (Prices Control) Order, 1995, (DPCO,95) prices of 74 bulk drugs and the formulations containing any of these scheduled drugs are controlled. Government/ NPPA fixes/revises their prices from time to time as per norms/formula provided in the DPCO. All the manufacturers are required to follow the prices fixed by NPPA/ Government. In case, a company is found selling at prices higher than the price notified/approved by the NPPA/Government action is taken against it as per provisions of the DPCO, 95.

In respect of drugs not covered under price control (non-scheduled formulations), the manufacturers are free to fix the prices by themselves without seeking approval of Government/NPPA. However, NPPA monitors the price increase of those non-scheduled formulations. As per the guidelines failure to comply with the guidelines in so far as they relate to the limit on the prescribed annual price increase without sufficient justification, results in fixation of price under para 10(b) of DPCO, 1995.

National Pharmaceutical Pricing Authority (NPPA) has fixed prices of 9 non-Scheduled formulations on 13.06,07 and 27.06.07 and subsequently another 11 non-Scheduled formulations on 30.07.07 under para 10(b) of Drugs (Prices Control) Order, 1995 (DPCO, 1995) where it was noticed that the prices had increased by more than 20% in a period of 12 months on the basis of IMS data. NPPA has directed all the manufacturing companies concerned to sell the relevant products at the MRP fixed by NPPA.

For violation of the prices fixed, as per para 13 of DPCO, 1995, notices for overcharging have been issued to 42 (Forty Two) Drug companies during the year 2006. The defaulting companies have been issued notices to deposit the overcharged amount along with the interest. An amount of Rs. 1.40 crores have been deposited by the defaulting companies during the year 2006.

---

†Original notice of the question was received in Hindi.